

# ***City of McLouth***

## ***Financial Statement***

***For the year ended December 31, 2016***

*ATC Accounting*

City of McLouth, Kansas  
Financial Statement  
December 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

Component Units Are Omitted-Separate Entity Financial Statements Have Been Issued

Honorable Mayor and City Council  
City of McLouth  
McLouth, Kansas 66054

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of McLouth, Kansas, as of and for the year ended December 31, 2016 and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of McLouth, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of McLouth, Kansas as of December 31, 2016, or changes in financial position and cash flows thereof for the year then ended.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of McLouth, Kansas as of December 31, 2016, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 2016 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual, individual fund schedules of regulatory basis receipts and expenditures-actual (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2016 basic financial statement, however are required to be presented under the provision of the Kansas Municipal audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 information has been subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2015 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2015 basic financial statement upon which we rendered as unqualified opinion dated June 15, 2016. The 2015 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2015 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statement. The 2015 comparative information was subjected to the auditing procedures applied in the audit of the 2015 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 basic financial statement or to the 2015 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2015 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.

### ***ATC Accounting***

ATC Accounting

June 23, 2017

City of McLouth, Kansas  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2016

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL	\$ 125,202	\$ 421,722	\$ 415,819	\$ 131,105	\$ 5,008	\$ 136,113
SPECIAL PURPOSE FUNDS:						
Law Enforcement	19,688	10,941	4,615	26,014	-	26,014
Fire Equipment	27,469	10,942	34,562	3,849	-	3,849
Library	1,209	23,519	22,285	2,443	-	2,443
Special Highway	245	22,660	22,460	445	-	445
BOND AND INTEREST FUND:						
Bond and Interest	8,756	2,041	-	10,797	-	10,797
CAPITAL PROJECT FUNDS:						
Capital Improvement	149,594	40,000	-	189,594	-	189,594
Equipment Reserve	51,914	84,459	13,500	122,873	-	122,873
BUSINESS FUNDS:						
Water Utility	211,599	260,069	233,947	237,721	17,930	255,651
Sewer Utility	166,498	184,850	213,819	137,529	317	137,846
Gas Utility	177,834	156,943	212,514	122,263	509	122,772
AGENCY FUNDS:						
Utility Deposits	41,936	1,475	-	43,411	-	43,411
Total Reporting Entity	\$ 981,944	\$ 1,219,621	\$ 1,173,521	\$ 1,028,044	\$ 23,764	\$ 1,051,808

Checking Accounts	\$ 550,301
Money Market and Savings Accounts	256,264
Certificate of Deposits	245,243
Total Reporting Entity	<u>\$ 1,051,808</u>

The notes to the financial statement are an integral part of this statement

City of McLouth, Kansas  
Notes to the Financial Statements  
December 31, 2016

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Financial Reporting Entity

The City of McLouth is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of McLouth (the municipality).

The related municipal entity is not included in the City's reporting entity even though it was established to benefit the City and/or its constituents.

Library Board - The Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at their administrative offices.

### (b) Regulatory Basis Fund Types

**General fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose fund** – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Capital Project fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business fund** – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).

**Trust fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

**Agency fund** – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

### (c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

#### **(d) Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted from the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- 1) Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>
- 2) Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
- 3) Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- 4) Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year 2016.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds and Agency Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Compliance with Kansas Statutes**

The City is not aware of any non-compliance with Kansas Statutes.

## **3. DEPOSITS AND INVESTMENTS**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such an institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements;

and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutes to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2016.

At December 31, 2016, the City's carrying amount of deposits was \$1,051,808 and the bank balance was \$1,065,165. The bank balance was held by 1 bank resulting in a concentration of credit risk. Of the bank balance \$250,000 was covered by federal depository insurance and the remaining \$815,165 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.



#### 4. LONG-TERM DEBT

Changes in long-term liabilities for the City of McLouth, Kansas for the year ended December 31, 2016 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
KDHE Loans:									
Water Improvements	4.31%	11/18/1997	1,132,133	02/1/2019	\$ 232,768	\$ -	\$ 62,999	\$ 169,769	\$ 9,361
Sewer Improvements	3.57%	04/05/2000	1,702,238	09/1/2021	565,399	-	86,098	479,301	19,423
Total Contractual Indebtedness					\$ 798,167	\$ -	\$ 149,097	\$ 649,070	\$ 28,784

Current maturities of long-term debt and interest through maturity are as follows:

	2017	2018	2019	2020	2021	Total
Principal						
KDHE Loan – Water	\$ 65,744	\$ 68,608	\$ 35,417	\$ -	\$ -	\$ 169,769
KDHE Loan – Sewer	89,199	92,412	95,740	99,189	102,761	479,301
Total Principal	154,943	161,020	131,157	99,189	102,761	649,070
Interest:						
KDHE Loan – Water	6,616	3,752	763	-	-	11,131
KDHE Loan – Sewer	16,322	13,109	9,781	6,332	2,759	48,303
Total Interest	22,938	16,861	10,544	6,332	2,759	59,434
Total Principal and Interest	\$ 177,881	\$ 177,881	\$ 141,701	\$ 105,521	\$ 105,520	\$ 708,504

## **5. DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

**Funding Policy.** K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depend on whether the employee is a Tier 1, Tier 2, or Tier 3 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009 and Tier 3 members were first employed in a covered position on or after January 1, 2015. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members through December 31, 2014. On January 1, 2015, Kansas law increased the KPERS member-employee contribution rate to 6% of covered salary for Tier 1 members. On that date, the Tier 2 member-employee contribution rate remained at 6% of covered salary, and the Tier 3 member contribution rate was established at 6% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for Tier 1 and Tier 2 be determined annually based on the results of an annual actuarial valuation. Tier 3 Employer credits are established by statute and are based on the member employee's years of service. Tier 1 and Tier 2 is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.18%, for the fiscal year ended December 31, 2016. Contributions to the pension plan from the city were \$21,705 for the year ended December 31, 2016

**Net Pension Liability.** At December 31, 2016, the city's proportionate share of the collective net pension liability reported by KPERS was \$219,044. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The city's proportion of the net pension liability was based on the ration of the city's contributions to KPERS, relative to the total employer and non-employer contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## **6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

### **(a) Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

## (b) Other Employee Benefits

Vacation – A full-time employee may accrue vacation of 6.67 hours per month with 0 to 5 years of service, 8 hours per month with 6 to 10 years of service, 10 hours per month with 11 to 15 years of service and 12 hours per month with more than 15 years of service. The maximum amount of vacation available is three weeks per year. Vacation is vested, and terminating employees will be paid for vacation not taken. Effective September 1, 2014 employees cannot carry over more than 40 hours of accrued vacation. Employees with over 40 hours accrued vacation submitted plans to reduce the number of days prior to 2016. If accrued vacation could not be reduced below 40 hours a one-time payment was made in December 2016 to the employee. The cost of accumulated vacation leave will be recorded as an expenditure at the time the vacation is utilized, as normal personal service expenditure.

The cost of accumulated vacation leave is \$4,459 and will be recorded as expenditures at the time the vacation leave is utilized, as normal personal service expenditures.

Sick Leave - Full-time employees may accrue sick leave at the rate of 1 day per month with a maximum accumulation of 90 days. Upon termination or resignation, no payment for unused sick leave will be made. The cost of accumulated sick pay has not been estimated or accrued by the City as of December 31, 2016 since no liability to pay upon termination.

## 7. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2015 to 2016 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

## 8. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General	Equipment Reserve	K.S.A. 12-1,118	10,000
Gas	Equipment Reserve	K.S.A. 12-1,118	20,000
Sewer	Capital Improvements	K.S.A. 12-1,118	20,000
Water	Capital Improvements	K.S.A. 12-1,118	20,000

## **9. SUBSEQUENT EVENTS**

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of the report which is the date at which the financial statement was available to be issued.

**CITY OF MCLOUTH, KANSAS**  
**REGULATORY-REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

City of McLouth, Kansas  
Summary of Expenditures – Actual and Budget  
Regulatory Basis  
(Budgeted Funds Only)  
For the Year Ended December 31, 2016

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	\$ 470,442	\$ -	\$ 470,442	\$ 415,819	\$ (54,623)
SPECIAL PURPOSE FUNDS:					
Law Enforcement	30,829	-	30,829	4,615	(26,214)
Fire Equipment	37,804	-	37,804	34,562	(3,242)
Library	22,285	-	22,285	22,285	-
Special Highway	22,460	-	22,460	22,460	-
BOND AND INTEREST FUND:					
Bond and Interest	-	-	-	-	-
BUSINESS FUNDS:					
Water Utility	403,788	-	403,788	233,947	(169,841)
Sewer Utility	366,330	-	366,330	213,819	(152,511)
Gas Utility	430,902	-	430,902	212,514	(218,388)

City of McLouth, Kansas  
General Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016		Variance Over (Under)
	Actual	Actual	Budget	
Receipts:				
Ad Valorem Property	\$ 209,813	\$ 210,327	\$ 208,341	\$ 1,986
Delinquent	19,414	7,879	14,584	(6,705)
Motor Vehicle	27,315	29,055	26,227	2,828
Recreational Vehicle	279	377	311	66
16/20M Truck	89	209	125	84
Commercial Vehicle Tax	239	128	91	37
Watercraft Tax	309	165	93	72
Franchise Fees	38,619	42,002	40,000	2,002
Sanitation	43,931	57,837	54,000	3,837
Sales Tax	46,144	46,217	47,000	(783)
Licenses, Fees and Permits	1,953	4,444	2,000	2,444
Municipal Court	15,218	14,595	19,000	(4,405)
Interest on Idle Funds	2,158	1,459	800	659
Miscellaneous	8,591	7,028	1,000	6,028
Total Receipts	414,072	421,722	\$ 413,572	\$ 8,150

City of McLouth, Kansas  
General Fund (Continued)  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016		
	Actual	Actual	Budget	Variance Over (Under)
Expenditures:				
Salaries and Wages	66,743	49,013	\$ 63,344	\$ (14,331)
Employee Benefits	16,039	27,106	16,000	11,106
Police Salaries and Wages	94,888	83,893	101,100	(17,207)
Police Employee Benefits	29,701	13,261	29,500	(16,239)
General Government	21,546	14,779	31,350	(16,571)
Legal/Contract/Administration	20,358	19,030	12,000	7,030
Sanitation	45,719	56,890	55,000	1,890
Streets	53,447	48,102	47,250	852
Police Operations and Maintenance	21,982	18,098	27,850	(9,752)
Fire Operations and Maintenance	5,260	12,427	8,150	4,277
Court	13,121	18,541	19,300	(759)
Insurance	14,499	10,628	-	10,628
Training, Testing and Fees	522	98	-	98
Miscellaneous	714	761	-	761
Capital Outlay	1,200	33,192	49,598	(16,406)
Transfers	-	10,000	10,000	-
Total Expenditures	405,739	415,819	\$ 470,442	\$ (54,623)
Receipts Over (Under) Expenditures	8,333	5,903		
Unencumbered Cash, January 1	116,869	125,202		
Unencumbered Cash, December 31	\$ 125,202	\$ 131,105		



City of McLouth, Kansas  
 Law Enforcement Fund  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2016

	2015	2016		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 9,137	\$ 9,299	\$ 9,210	\$ 89
Delinquent	1,093	340	645	(305)
Motor Vehicle	904	1,263	1,142	121
Recreational Vehicle	12	16	13	3
16/20M Truck	4	9	5	4
Commercial Truck Tax	10	6	4	2
Watercraft Tax	13	8	-	8
Miscellaneous	206	-	-	-
Total Receipts	11,379	10,941	\$ 11,019	\$ (78)
Expenditures:				
Commodities	3,959	-	\$ 2,500	\$ (2,500)
Capital Outlay	-	4,615	28,329	(23,714)
Total Expenditures	3,959	4,615	\$ 30,829	\$ (26,214)
Receipts Over (Under) Expenditures	7,420	6,326		
Unencumbered Cash, January 1	12,268	19,688		
Unencumbered Cash, December 31	\$ 19,688	\$ 26,014		

City of McLouth, Kansas  
 Fire Equipment Fund  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2016

	2015	2016		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 9,139	\$ 9,298	\$ 9,212	\$ 86
Delinquent	840	341	645	(304)
Motor Vehicle	1,175	1,022	1,142	(120)
Recreational Vehicle	12	258	13	245
16/20M Truck	4	9	5	4
Commercial Truck Tax	10	6	4	2
Watercraft Tax	13	8	4	4
Total Receipts	11,193	10,942	\$ 11,025	\$ (83)
Expenditures:				
Public Safety	402	628	\$ 4,500	\$ (3,872)
Capital Outlay	4,557	33,934	33,304	630
Total Expenditures	4,959	34,562	\$ 37,804	\$ (3,242)
Receipts Over (Under) Expenditures	6,234	(23,620)		
Unencumbered Cash, January 1	21,235	27,469		
Unencumbered Cash, December 31	\$ 27,469	\$ 3,849		

City of McLouth, Kansas  
Library Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 18,602	\$ 20,094	\$ 19,906	\$ 188
Delinquent	1,855	740	1,393	(653)
Motor Vehicle	2,566	2,604	2,325	279
Recreational Vehicle	26	34	27	7
16/20M Truck	9	20	11	9
Commercial Truck Tax	22	11	8	3
Watercraft Tax	29	16	8	8
Total Receipts	23,109	23,519	\$ 23,678	\$ (159)
Expenditures:				
Recreation and Culture	21,900	22,285	\$ 22,285	\$ -
Receipts Over (Under) Expenditures	1,209	1,234		
Unencumbered Cash, January 1	-	1,209		
Unencumbered Cash, December 31	\$ 1,209	\$ 2,443		

City of McLouth, Kansas  
Special Highway Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Special Highway Tax	\$ 22,485	\$ 22,660	\$ 22,460	\$ 200
Miscellaneous	-	-	-	-
Total Receipts	22,485	22,660	\$ 22,460	\$ 200
Expenditures:				
Street Repair and Maintenance	22,240	22,460	\$ 22,460	\$ -
Receipts Over (Under) Expenditures	245	200		
Unencumbered Cash, January 1	-	245		
Unencumbered Cash, December 31	\$ 245	\$ 445		

City of McLouth, Kansas  
Bond and Interest Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016		Variance Over (Under)
		Actual	Budget	
Receipts:				
Ad Valorem Property	\$ 10,937	\$ -	\$ -	\$ -
Delinquent	1,089	446	-	446
Motor Vehicle	1,569	1,546	1,367	179
Recreational Vehicle	16	20	16	4
16/20M Truck	5	12	6	6
Commercial Truck Tax	14	7	5	2
Watercraft Tax	18	10	5	5
Total Receipts	13,648	2,041	\$ 1,399	\$ 642
Expenditures:				
Debt Service	10,501	-	\$ -	\$ -
Cash Basis Reserve	-	-	-	-
Total Expenditures	10,501	-	\$ -	\$ -
Receipts Over (Under) Expenditures	3,147	2,041		
Unencumbered Cash, January 1	5,609	8,756		
Unencumbered Cash, December 31	\$ 8,756	\$ 10,797		

City of McLouth, Kansas  
Non-Budgeted Funds  
Schedule of Receipts and Expenditures – Actual  
Regulatory Basis  
For the Year Ended December 31, 2016

	Capital Improvement	Equipment Reserve
Receipts:		
Transfer – General	\$ -	\$ 10,000
Transfer – Water	20,000	-
Transfer - Sewer	20,000	-
Transfer - Gas	-	20,000
Grant Proceeds	-	54,459
Total Receipts	40,000	84,459
Expenditures:		
Capital Outlay	-	13,500
Total Expenditures	-	13,500
Receipts Over (Under) Expenditures	40,000	70,959
Unencumbered Cash, January 1	149,594	51,914
Unencumbered Cash, December 31	\$ 189,594	\$ 122,873

City of McLouth, Kansas  
Water Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016		
		Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	\$ 244,789	\$ 259,600	\$ 252,800	\$ 6,800
Interest on Idle Funds	221	469	100	369
Total Receipts	245,010	260,069	\$ 252,900	\$ 7,169
Expenditures:				
Salaries and Wages	33,185	35,923	\$ 42,000	\$ (6,077)
Employee Benefits	10,596	12,077	10,900	1,177
Debt Service	72,360	72,360	72,360	-
Training, Testing and Fees	2,024	1,983	7,724	(5,741)
Operations and Maintenance	23,118	40,716	54,500	(13,784)
Insurance	4,940	5,008	5,600	(592)
Legal and Contract Services	5,421	3,730	5,000	(1,270)
Water Purchase	28,472	42,101	49,200	(7,099)
Capital Outlay	-	-	136,504	(136,504)
Miscellaneous	667	49	-	49
Transfer – Capital Improvements	20,000	20,000	20,000	-
Total Expenditures	200,783	233,947	\$ 403,788	\$ (169,841)
Receipts Over (Under) Expenditures	44,227	26,122		
Unencumbered Cash, January 1	167,372	211,599		
Unencumbered Cash, December 31	\$ 211,599	\$ 237,721		

City of McLouth, Kansas  
Sewer Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016		
		Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	\$ 172,734	\$ 183,921	\$ 190,000	\$ (6,079)
Interest on Idle Funds	678	929	500	429
Total Receipts	173,412	184,850	\$ 190,500	\$ (5,650)
Expenditures:				
Salaries and Wages	35,053	35,753	\$ 46,000	\$ (10,247)
Employee Benefits	11,264	12,331	11,106	1,225
Training, Testing and Fees	1,352	573	1,500	(927)
Operations and Maintenance	44,276	32,778	31,500	1,278
Insurance	2,251	5,008	5,200	(192)
Legal and Contract Services	10,948	1,855	7,000	(5,145)
Capital Outlay	-	-	138,424	(138,424)
Miscellaneous	81	-	-	-
Debt Service	105,521	105,521	105,600	(79)
Transfer – Capital Improvements	-	20,000	20,000	-
Transfer – Equipment Reserve	-	-	-	-
Total Expenditures	210,746	213,819	\$ 366,330	\$ (152,511)
Receipts Over (Under) Expenditures	(37,334)	(28,969)		
Unencumbered Cash, January 1	203,832	166,498		
Unencumbered Cash, December 31	\$ 166,498	\$ 137,529		



City of McLouth, Kansas  
Gas Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016		
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	\$ 232,094	\$ 156,296	\$ 375,000	\$ (218,704)
Interest on Idle Funds	222	469	200	269
Reimbursements	6,589	-	-	-
Miscellaneous	-	178	-	178
Total Receipts	238,905	156,943	\$ 375,200	\$ (218,257)
Expenditures:				
Salaries and Wages	45,512	53,146	\$ 60,880	\$ (7,734)
Employee Benefits	13,074	14,985	14,950	35
Training, Testing and Fees	690	-	1,000	(1,000)
Operations and Maintenance	9,029	9,789	22,950	(13,161)
Insurance	3,448	5,008	4,000	1,008
Legal and Contract Services	2,854	2,569	5,000	(2,431)
Gas Purchase	84,252	106,692	245,000	(138,308)
Capital Outlay	-	-	57,122	(57,122)
Miscellaneous	1,150	325	-	325
Transfer – Capital Improvements	20,000	20,000	20,000	-
Total Expenditures	180,009	212,514	\$ 430,902	\$ (218,388)
Receipts Over (Under) Expenditures	58,896	(55,571)		
Unencumbered Cash, January 1	118,938	177,834		
Unencumbered Cash, December 31	\$ 177,834	\$ 122,263		

City of McLouth, Kansas  
Utility Deposit Fund  
Schedule of Receipts and Expenditures – Actual  
Regulatory Basis  
For the Year Ended December 31, 2016

	2015	2016
Receipts:		
Water Deposits	\$ 2,875	\$ 300
Sewer Deposits	2,925	450
Gas Deposits	5,911	725
	<hr/>	<hr/>
Total Receipts	11,711	1,475
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Expenditures:		
Water Deposit Refund	1,100	-
Sewer Deposit Refund	1,025	-
Gas Deposit Refund	2,050	-
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Total Expenditures	4,175	-
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Receipts Over (Under) Expenditures	7,536	1,475
Unencumbered Cash, January 1	34,400	41,936
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Unencumbered Cash, December 31	\$ 41,936	\$ 43,411
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